

360-Degree Feedback: A Powerful Transformative Tool for the Deliberative Organization

A college administrator in the 1970s hit upon a novel idea -- asking students to evaluate professors' teaching skills. The administrator then used those evaluations to help faculty members improve their classroom effectiveness. Today, student evaluations are commonplace.

This type of evaluation, used routinely on college campuses for more than two decades, has spread rapidly through America's business community and is now beginning to gain acceptance with leaders in government.

Commonly called multi-source feedback or 360-degree feedback, this type of evaluation method gathers the opinions of various people affected by an individual's work performance rather than the singular view of an immediate supervisor. Those surveyed often include subordinates, internal and external customers, and peers.

In his 1996 book, *The Best Kept Secrets in Government*, Vice President Al Gore applauds the Department of Education for incorporating 360-degree feedback into its business practices. "Every year, everyone who works for the government is to be formally and individually judged by his or her boss," Gore writes. "The process can cause tension and is widely viewed as ineffective." (p. 20) Multi-source feedback is seen as a better solution, not only by the Department of Education, but by many of America's prominent companies. (O'Reilly, pp. 93-100)

Used correctly and deliberately, 360-degree feedback can make a profoundly positive impact on an organization's culture. It can improve customer service, open lines of communication, break down organizational stovepipes, enhance individual and leadership development, and improve teamwork.

However, 360-degree feedback is not a panacea for organizational shortcomings. Like other transformational tools (such as Total Quality Management), if applied carelessly it can breed cynicism and result in harming an organization rather than benefiting it.

Government leaders should therefore view a 360-degree system as an investment. It is an investment with tremendous potential payoff, but it must be applied strategically and systematically.

Improved performance

Multi-source feedback can improve both individual and organizational effectiveness. For individuals, 360-degree feedback provides clarity in self-perception. It helps show them how others view their behaviors. Extensive research demonstrates that people do not view their own work qualities in the same manner as their coworkers. Self-ratings of job performance are often biased and inaccurate compared with others' ratings or objective measures. (Harris and Schaubroeck, pp. 43)

Accurate feedback, therefore, is key to identifying problem behaviors. Unfortunately, supervisory feedback provides only one perspective and is thus more vulnerable to bias. A supervisor also does not see the full picture of a person's performance in the same manner as peers, subordinates and team members.

Multi-source feedback improves self-perception. This awareness can inform the individual about the need to change behaviors in a way that is both honest and credible. Recent studies indicate that people who receive such feedback find it far more difficult to discount than that from a single source. (Waldman and Atwater, p. 6) As a result, they are far more likely to accept it and work to change their behaviors. According to leading consultants in the use of 360-feedback, “No organizational action has more power for motivating employee behavior change than feedback from credible work associates.” (Edwards and Ewen, p. 4) Thus, when multi-source feedback is negative, it drives change. When positive, the feedback serves as a powerfully credible tool to reinforce desired behaviors. Either way, the organization benefits.

The feedback ultimately has a broader effect. A 1991 study regarding employee feedback to supervisors found that subordinate feedback not only increased supervisory effectiveness, but increased the effectiveness of the entire work unit. (Witt and Hellman, p. 2) Upward feedback also gives employees a voice by allowing them to express their opinions to decision-makers. They are more likely to perceive organizational support and demonstrate support in return.

Customer service

To widen the support base, some organizations are choosing to give external customers a voice through the 360-degree process. According to a handbook from the Office of Personnel Management (OPM), “Executive Order 12862, *Setting Customer Service Standards*, requires agencies to survey internal and external customers, publish customer service standards, and measure agency performance against these standards.” (p. 7) By directly linking the customer’s needs to the organization’s performance, customer service improves. And by gaining an outside perspective, ingrained methodologies are challenged, too.

Peer and upward feedback also gauge how well the needs of internal customers are being met. When a member of a work unit evaluates his peers’ cooperative behaviors, the result is improved teamwork. According to a leading source, “The mere act of measuring teamwork-oriented behavior through peer appraisals and then feeding the information back to individuals sends a strong message about the value of teamwork within the organization’s culture.” (Waldman and Atwater, p.100) Moreover, 360-degree feedback will gradually become more necessary in a team environment. As the organization’s stovepipes become less rigid and managers spend less time in direct contact with those they rate, they will increasingly face a shortage of relevant information to feed into meaningful performance appraisals.

Cultural change

In an interview with *Fortune* magazine, Peter Wentworth, a drug company executive, said, “‘There’s an old saying that you treasure what you measure.’” That’s why the company decided to build a 360-feedback process around its values. “Now the drug company’s employees grade one another on such traits as creativity, candor, and speed of action.” (p. 100)

Simply by using a 360-degree initiative, the organization sends a message that it values participation. Other values, such as strong, competent leadership, are noticed and reinforced.

Obviously, it is critical to measure the distinct behaviors that the organization truly wants to encourage. Multi-source surveys should be carefully designed to measure behaviors that support the organization's vision and strategic goals.

Organizational support systems must reinforce any change important to management, and a 360-degree evaluation process is no exception. Leaders must set clear expectations. The organization must systematically determine how it will use the 360-degree feedback and what outcomes it expects.

According to an expert in feedback development, "If the reason for using 360-degree feedback is clear, business-driven, and tied to conditions under which an individual is likely to accept and use the feedback, then the activity will probably be successful. If the reasons are vague and event-driven, or if the feedback is threatening or thoughtless, then the 360-feedback practice will probably be unsuccessful." (Tornow, p. 59)

Several sources also emphasize the need for complete anonymity. If anonymity is compromised, even once, the process has lost irretrievable credibility. But, according to OPM, a 360-degree instrument can retain full anonymity even when an agency must respond to a Freedom of Information Act request. The organization must ensure that the tool used does not retain the names of appraisers, and only the final, aggregate results are placed into the employee performance file. (p. 9)

Furthermore, whether or not 360-degree initiatives have a positive effect on culture depends largely on how the organization views past change initiatives and on the level of resolve from leadership. Sources agree that the feedback surveys only prove effective when those who provide data believe the organization will use it beneficially. For multi-source feedback to positively affect culture, those surveyed need to see follow-up actions. (Coates, p. 7) In his 1996 book, *Leading Change*, organizational change expert John Kotter notes that one of the problems for organizations implementing change efforts is that they fail to keep focus on the change effort until it becomes rooted in the organization's social norms. (p. 14)

There is a particular challenge if the organization has endured a string of change initiatives. This occurrence is common in the military with regular shifts of leadership in which each new commander seeks to make a mark. Employees become disillusioned and cynical toward embracing new change, so it will be difficult to gather support in a climate where workers feel they need only wait out this particular commander.

To thwart disillusionment, the command must clearly demonstrate commitment to the 360-degree process by making the full investment. This means regularly following through over an extended period. (Tornow, p. 6) If, for instance, the 360-degree process is used every six months, and feedback training accompanies the survey implementation once every year, employees will recognize the leadership's sincerity and the process will gain enduring credibility. Steps like these will help ensure that the feedback is more than just a passing fad.

Viewed collectively, the feedback can help identify organizational strengths and weaknesses. Therefore, in quarterly reviews or senior staff meetings, leaders should regularly evaluate the organizational trends and characteristics revealed by survey results. This emphasis from leadership will help anchor 360-feedback into the culture as well.

Proceed with caution

A key factor in using multi-source feedback effectively is deciding whether it will be used as input to performance appraisals or for developmental purposes only. It is a controversial issue, the fodder for debate among practitioners and consultants. Managers are often tempted to use the feedback for performance evaluations, while most experienced consultants recommend against it.

The U.S. Army Corps of Engineers' Huntsville Division found that by using 360-degree feedback for performance evaluations, some employees gave inflated ratings because they did not want to prevent a coworker from receiving an award. (DeMichele, interview) In a survey of United Parcel Service employees, some people said they would alter their 360-degree feedback if they knew the company would use it for formal performance evaluations of managers. (Waldman and Atwater, p. 41)

Some experts recommend strictly limiting multi-source feedback to developmental purposes alone. According to one source, "Using 360 for appraisal may be an intriguing idea, but it's not the best use of this exciting new technology. It can put the organization at unnecessary risk and have a negative impact on motivation, performance, and the entire work environment." (Lassiter, p. 1) Some experts recommend that before using 360-degree feedback in performance appraisals, the organization at least determine how acceptable that practice would be to the workforce and its labor unions.

Many experts, including a retired lieutenant general whose research organization pioneered 360-degree feedback, recommend that initially, an organization use the feedback for developmental purposes alone. Then once improvements have been made in the culture, and the system is widely accepted – a process likely to take several years – the organization can begin to integrate the feedback into formal evaluations. (Ulmer, speech)

One expert cautions that if 360-degree feedback is indeed used for performance evaluation, it should not be used exclusively, but be weighted and balanced with evaluations of operational results and other appropriate measures. (Waldman and Atwater, p. 41) Another notes that 360-degree feedback will lose credibility if it is used for administrative decisions such as how much an employee will be paid. (Tornow, p.7) Still another notes that managers might face legal difficulties in attempting to defend negative personnel decisions based on a low overall 360-degree appraisal. (Edwards and Ewen, p. 45)

Once an organization decides how to use 360-degree feedback, it must still develop an implementation plan. Employee acceptance of multi-source feedback as a new initiative involves communication and extensive preparation before administering the first survey. According to a feedback consulting veteran:

"People often become anxious as they anticipate what coworkers will say about their work. Even more important is how much information upper-level managers will see and what they will do with it. Will there be negative repercussions for low scores, or will they really get a chance to improve themselves? If any of the data is negative, will it affect their jobs or careers? Will it put in jeopardy such things as bonuses, pay increases, promotions or assignments?

"The solution is information. Before a decision can be made to implement multi-source feedback, people need to be told what it is, how the process will work, what the potential benefits are, and how the data will be handled." (Coates, p. 5)

Conclusion

Yet despite the notes of caution, for many organizations, multi-source feedback offers too many benefits to ignore. Its tremendous potential to bring about positive change is plainly recognized. Carefully planning seems only appropriate when one considers the range of potential benefits, including improved individual and organizational performance, enhanced teamwork and customer service, fewer confines from organizational stovepipes, and a more open, participative culture.

In the words of one feedback consultant, “Clearly, change is the name of the game for the individual receiving feedback and for the organization interested in having such a change translated into improved organizational functioning.” (Tornow, p. 6) For such an organization, an investment in careful planning, and the necessary deliberative measures taken to implement a 360-degree feedback system, is definitely worth the effort.

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